

## **FSCA COMMUNICATION 18 OF 2022 (RF)**

### **Request for information related to retirement funds paid-up members**

#### **1. Purpose**

The purpose of this communication is to:

- Inform the retirement fund industry that the Financial Sector Conduct Authority (“Authority”) today published FSCA Information Request 5 of 2022 (RF) alongside this communication;
- explain the need for the requested information; and
- provide guidance on completion and submission of the requested information.

#### **2. Background**

- 2.1 On 25 June 2018, the Authority issued Guidance Notice No. 1 of 2018 which is now central to the Unclaimed Benefit Search Engine hosted on the website of the Authority. The Authority seeks to enhance this effort with information relating to paid-up<sup>1</sup> members as requested in FSCA Information Request 5 of 2022 (RF), in order to achieve the following:
- (a) create a register of paid-up members;
  - (b) create a baseline for the ongoing monitoring and assessment of the impact of Regulation 38 (default preservation and portability) of the Pension Funds Act, 1956 (“PFA”) on the behaviour of members;
  - (c) gain better insight into industry practices as they relate to the implementation of Regulation 38 of the PFA;
  - (d) assist the Authority in performing its functions;
  - (e) complement the data previously obtained in respect of unclaimed benefits; and
  - (f) support interested persons to, in future, search the Authority’s website for the existence of paid-up benefits.
- 2.2 This data will inform future regulatory efforts of the Authority towards achieving its strategic objectives outlined in section 57 of the Financial Sector Regulation Act, 2017 (“FSR Act”). Consequently, the ongoing and accurate provision of the latest data is essential to the functions of the Authority set out in section 58 of the FSR Act.
- 2.3 Funds and administrators are reminded that they have a duty to provide the Authority with the requested information in terms of sections 2(4)(b), 13B(5)(g) and section 24 of the PFA, and section 131(1)(b) of the FSR Act. Failure to comply with the regulatory obligations may lead to administrative action against the contravening person.

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<sup>1</sup> Section 1 of the Regulations made in terms of Section 36 of the Pension Funds Act defines a “paid-up member” as a deferred pensioner. The same section defines a “deferred pensioner” as a member who has left the service of his employer or has otherwise terminated his contributions and has a paid-up benefit in the fund concerned.

### 3. Guidance on completion and submission of the requested information

3.1 Similar to previous requests, funds are requested to provide information electronically through the website of the Authority on the following link:

[https://www.fsca.co.za/MagicScripts/mgrqispi.dll?APPNAME=Web&PRGNAME=FSB\\_Online\\_Logon&ARGUMENTS=-N1](https://www.fsca.co.za/MagicScripts/mgrqispi.dll?APPNAME=Web&PRGNAME=FSB_Online_Logon&ARGUMENTS=-N1)

3.2 **Annexure A**, attached hereto, provides information for the completion of the spreadsheet to be imported as well as guidance on how to update previously uploaded paid-up benefit information on the Authority's database. In order to limit the number of possible matches to be referred to funds and administrators, it is important to update the data where successful payments have been made.

3.3 The template for new Paid-Up Benefit information required is attached hereto as **Annexure B**.

3.4 An example of the completed form is attached hereto as **Annexure C**.

3.5 An example of the download of imported Paid-up Benefit Information Report per fund is attached hereto as **Annexure D1**.

3.6 An example of the download of imported Paid-Up Benefit Information Report for all funds administered by the selected administrator is attached hereto as **Annexure D2**.

3.7 The example referred to in paragraphs 3.5 and 3.6 above (**Annexures D1 and D2**) demonstrates that the information for Paid-Up Members and Unclaimed Benefits Members may be submitted on one spreadsheet as a column indicating the type of benefit that was added on the spreadsheet.

3.8 The Authority reiterates that, for prevention of fraud and in compliance with the Protection of Personal Information Act, 2013, no personal information of any individual will be disclosed on the Authority's website.

### 4. Enquiries

For more information regarding this Communication contact the FSCA by emailing Mr. Retshedisitswe Mokoena at: [Retshedisitswe.Mokoena@fsca.co.za](mailto:Retshedisitswe.Mokoena@fsca.co.za)



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